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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 5, 1999

JOINT PETITION OF

CASE NO. PUA980017

C & P ISLE OF WIGHT WATER COMPANY
AND
D.L.G. ENTERPRISES, INC.

For approval of acquisition of the water
supply facility serving the subdivision
known as Queen Anne's Court

ORDER GRANTING APPROVAL

On April 23, 1998, C & P Isle of Wight Water Company ("C & P", the "Company", the "Petitioner") filed a joint petition with D.L.G. Enterprises, Inc., ("Seller"), (the Petitioner and Seller collectively referred to as the "Joint Petitioners"), under the Utility Transfers Act requesting approval for C & P to acquire from Seller the water supply facility serving the subdivision known as Queen Anne's Court. Queen Anne's Court Water System (the "Water System") has sixty (60) customers and is located within the County of Isle of Wight, Virginia.

The Company states, in its petition, that the Water System was acquired by D.L.G. Enterprises, Inc., on December 29, 1994. The Water System is currently operated by

D.L.G. Utility Corporation. The Company states that D.L.G. Utility Corporation is authorized to furnish water service to the Queen Anne's Court subdivision under the Utility Facilities Act by a Certificate of Public Convenience and Necessity.

As described in the petition, C & P seeks to acquire the entire working water systems. As described in data responses, this includes the property upon which the wells are located, all necessary equipment and hardware associated with the wells and the distribution of water (structures, wells, mains, pump equipment, and meters), and the customer list. According to information contained in the Memorandum of Understanding, submitted with the petition, the purchase price for the Water System is \$24,500.00. A purchase deposit of \$5,000.00 was issued to Seller on March 27, 1998, with the balance due at closing. As indicated by the Company, the purchase price was negotiated between C & P and Seller. The Company states that there were no affiliations between C & P and Seller which would have influenced the negotiated purchase price.

In its petition, the Company states that the principals, Ted W. Christian and David D. Pugh, possess considerable knowledge and expertise in the field of supplying water and the installations and repair of wells and water systems. The Company represents that, due to their expertise, C & P will be in a position to operate and manage the Water System. The Company further represents that it will be able to continue to provide adequate service to the public at just and reasonable rates and that the service which the public receives will not be impaired or jeopardized by the proposed acquisition.

By Commission Order Severing Queen Anne's Court Subdivision and Prescribing Notice dated September 25, 1998, any person who desired to comment or request a hearing on the application for certificate was given an opportunity to do so on or before November 13, 1998. There were no comments or requests for hearing.

THE COMMISSION, upon consideration of the petition and representation of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of utility assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved.

Accordingly,

IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, C & P Isle of Wight Water Company is hereby granted approval to acquire the water facility used to provide service to the subdivision of Queen Anne's Court from D.L.G. Enterprises, Inc., under the terms and conditions and at the price of \$24,500.00 as described herein.
- 2) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes.
- 3) The Joint Petitioners shall file a Report of Action with the Commission on or before July 6, 1999. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfer.

4) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.